

**OVERSIGHT BOARD OF THE FORMER  
COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF COMPTON**

**STAFF REPORT**

**DATE:** AUGUST 15, 2012

**TO:** THE HONORABLE CHAIR AND BOARD MEMBERS

**FROM:** EXECUTIVE DIRECTOR

**SUBJECT:** AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND JONES LANG LA SALLE TO PROVIDE PROFESSIONAL SERVICES IN CONNECTION WITH IMPLEMENTING THE REQUIREMENTS OF ASSEMBLY BILL 26 AND ASSEMBLY BILL 1484

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**SUMMARY**

Staff respectfully requests the Board to approve an agreement between Jones Lang LaSalle and the Successor Agency for professional services in connection with the implementation of Assembly Bill 26 and Assembly Bill 1484.

**BACKGROUND**

In March 2012, the City of Compton retained the services of Jones Lang LaSalle (JLL) in partnership with Keyser Marston Associates, Inc. (KMA) to assist Successor Agency staff in preparing the Recognized Obligations and Payment Schedules (ROPS I & II) for the State Oversight Board and the State of California Department of Finance (DOF) in accordance with the provisions of AB 26 legislation (Dissolution Act).

As part of the scope of work (JLL & KMA) also reviewed the inventory of former Community Redevelopment Agency assets to verify how the assets were originally funded, used and their current development status; reviewed and advised the City on financial restrictions of the Successor Agency pursuant to AB1x26; prepared resolutions and other relevant documents for presentation to the Oversight Board members of the Successor Agency pursuant to AB1x26.

## **STATEMENT OF THE ISSUE**

The Oversight Board and the DOF's approval of the Agency Recognized Obligation Payment Schedule (ROPS I & II) represent a major milestone for the Successor Agency to meet key provisions of AB 26. The next Phase of implementation of AB 26 and AB 1484 is the Board adoption of compliance process calls for the Successor Agency to present a Long Term Management Plan for all Agency assets. The Long Range Management plan will be developed using the Agency's approved disposition strategy as the framework.

In order to objectively accomplish this task in a very expeditious manner, staff has determined that JLL in partnership with KMA is uniquely qualified to assist Successor Agency staff with developing this Long Range Management Plan in order to meet the requirements of AB 1484 and to achieve the economic development objectives for the City. In addition, to the development of a Long Range Management Plan, JLL will be assisting the Successor Agency staff with preparing our ROPS 3 and Administrative Budget.

Currently, the Successor Agency owns approximately 51 parcels totaling nearly 2.1 million square feet of property. The local knowledge and familiarity that the firm has acquired during its relationship with the Successor Agency make JLL uniquely qualified to undertake additional services for the Successor Agency in accordance with the goals/objectives of the former redevelopment agency strategic plan and the economic vision of rebirthing a New Compton.

## **FISCAL IMPACT**

There is no impact to the City's General Fund with the approval of this resolution. The Successor Agency has funds approved by the Oversight Board in the ROPS that are sufficient to cover the contractual services and costs identified. The anticipated cost for these professional services to be rendered by JLL is \$70,000.00. These funds are available in account number 1201-91-0000-4262.

## **RECOMMENDATION**

Staff respectfully requests the Board to approve an agreement between Jones Lang LaSalle and the Successor Agency for professional services in connection with the implementation of Assembly Bill 26 and Assembly Bill 1484.

Note: That the above actions of the Oversight Board shall not become effective for three business days, pending any request for review by the DOF. If DOF requests review of the above Board actions, it will have 10 days from the date of its request to approve the Oversight Board action or return it to the Oversight Board for reconsideration.

**G. HAROLD DUFFEY**  
**EXECUTIVE DIRECTOR**



JONES LANG  
LASALLE

Public Institutions/Southwest Region  
515 S Flower Street, Suite 1300  
tel +1 213 239 6171 fax +1 312 938 1542

07/10/2012

Brian Batiste  
City Manager  
City of Compton  
205 S Willowbrook Ave  
Compton, CA 90220

Dear Mr. Batiste:

As a part of the Phase I scope of work which was completed in June 2012, the Jones Lang LaSalle and KMA team assisted the City in preparing the ROPS I and ROPS II lists, which were approved by the Oversight Board and State Department of Finance. We also reviewed the list of housing assets for transfer, reviewed and advised the City on financial restrictions of the Successor Agency pursuant to AB1x26, prepared resolutions and other documents required to be presented to the Board members of the Successor Agency pursuant to AB1x26, and helped to prepare review and assess an inventory of former 'non-enforceable' RDA assets which are to be sold under the direction of the legislation and the proceeds of which are to be returned to the taxing entities.

Since completing our Phase I work, Governor Jerry Brown signed into law AB 1484, a trailer bill to the State Budget, which immediately took effect. AB 1484 changes the way Successor Agencies will wind down Redevelopment Agencies. With respect to real estate holdings and land use, the law provides for new affordable housing revenue streams, provides a fairly detailed process for disposing of Former RDA assets and expands the authority of the Oversight Board.

The following Phase II Scope of Work takes into account the new requirements and allowances under AB 1484. The new legislation requires the development of a Long-Range Property Management Plan that the Oversight Board and Department of Finance must approve before the Successor Agency can dispose of or develop its non-ROPS related assets. Additionally, it requires the analysis of properties with respect to their TOD potential and their ability to meet other planning objectives, and allows for the development of non-ROPS properties.

The property inventory that we completed during Phase I can be used in the creation of the Long-Range Property Management Plan. Specifically, the inventory list prepared in Phase I verifies the location of the assets and identifies the date each asset was acquired, how the assets were funded, the proposed use, and current development status, all of which are required to be included in the Long-Range Property Management Plan.

As part of our team's Phase II efforts, we will work with the Successor Agency staff to prepare the ROPS 3 and Administrative Budget for the Successor Agency and the Long-Range Property Management Plan and assets disposition strategy for review and approval by the Oversight Board and Department of Finance. The strategy will determine a broker opinion of value and

outline recommendations on how the Successor Agency intends to develop, transfer, or dispose of the assets in the most time efficient manner possible and which maximizes value to City as well as the other taxing entities. Specifically, our Phase II Scope of Work will include the following:

1. Analyze the properties, per AB 1484's Long-Range Property Management Plan requirements.
2. Segment the inventory asset list into initial prioritized "categories" which will identify assets that will be a) sold; b) held for development; c) transferred for government use; and c) used to fulfill an enforceable obligation;
3. For the 'A' Categories of Assets
  - a. determine a broker opinion of value based on the market potential for the sites to be disposed, which will include:
    - i. Market overview;
    - ii. Highest and Best land use recommendation; and
    - iii. Pro forma development feasibility analysis.
  - b. Recommend a marketing and disposition strategy that specifies the best method and timing of disposing properties (i.e., broker sale, auction, procurement process); and
  - c. Once approved by the Oversight Board, execute the marketing and disposition strategy.
4. For the 'B' Categories of Assets, our team will;
  - a. Identify and summarize the site and/or market conditions that limit the sale or development potential of the assets;
  - b. Identify potential land use changes and/or financing support required to support development or a market sale of the property; and
  - c. Determine a timing and economic development strategy for development or disposition.
5. For the 'C' Categories of Assets, our team will
  - a. Catalogue the assets to be transferred to the City and determine their values.
6. For the 'D' Categories of Assets, our team will
  - a. Catalogue the properties listed on the Recognized Obligation Payment Schedule (ROPS).

While we appreciate how daunting the dissolution of redevelopment has been, we understand that the core focus on the elimination of blight and the economic advancement of Compton still remains. We look forward to continuing our relationship with you to both satisfying the Legislative requirements as well as working to the greatest extent possible to identify a strategy that does so in a manner that benefits the City of Compton from an economic development perspective, which in the long run should also benefit the other taxing entities.

Very truly yours,



Renata Simril  
Managing Director, Public Institutions

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON APPROVING AN AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND JONES LANG LA SALLE TO PROVIDE PROFESSIONAL SERVICES IN CONNECTION WITH IMPLEMENTING THE REQUIREMENTS OF ASSEMBLY BILL 26 AND ASSEMBLY BILL 1484**

**WHEREAS**, in March 2012, the City of Compton retained the services of Jones Lang LaSalle (JLL) in partnership with Keyser Marston Associates, Inc. (KMA) to assist Successor Agency staff in preparing the Recognized Obligations and Payment Schedules (ROPS I & II) for the State Oversight Board and the State of California Department of Finance (DOF) in accordance with the provisions of AB 26 legislation (Dissolution Act); and

**WHEREAS**, as part of the scope of work (JLL & KMA) also reviewed the inventory of former Community Redevelopment Agency assets to verify how the assets were originally funded, used and their current development status; reviewed and advised the City on financial restrictions of the Successor Agency pursuant to AB1x26; prepared resolutions and other relevant documents for presentation to the Oversight Board members of the Successor Agency pursuant to AB1x26; and

**WHEREAS**, the Successor Agency owns approximately 51 parcels totaling nearly 2.1 million square feet of property. The local knowledge and familiarity that the firm has acquired during its relationship with the Successor Agency make JLL uniquely qualified to undertake additional services for the Successor Agency in accordance with the goals/objectives of the former redevelopment agency strategic plan and the economic vision of rebirthing a New Compton; and

**WHEREAS**, in order to objectively accomplish this task in a very expeditious manner, staff has determined that JLL in partnership with KMA is uniquely qualified to assist Successor Agency staff with developing this Long Range Management Plan in order to meet the requirements of AB 1484 and to achieve the economic development objectives for the City. In addition, to the development of a Long Range Management Plan, JLL will be assisting the Successor Agency staff with preparing our ROPS 3 and Administrative Budget; and

**WHEREAS**, There is no impact to the City's General Fund with the approval of this resolution. The Successor Agency has funds approved by the Oversight Board in the ROPS that are sufficient to cover the contractual services and costs identified. The anticipated cost for these professional services to be rendered by JLL is \$70,000.00. These funds are available in account number 1201-91-0000-4262.

**NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE CITY OF COMPTON, HEREBY FINDS, DETERMINES, RESOLVE, AND ORDERS AS FOLLOWS:**

**Section 1.** That the above recitals are hereby true and correct and are a substantive part of this resolution.

**Section 2.** That this resolution is adopted pursuant to Health and Safety Code Section 34177.

**Section 3.** That the Oversight Board hereby approves an agreement between the Successor Agency and Jones Lang Las Salle to provide professional services in connection with implementing the requirements of Assembly Bill 26 and 1484.

**Section 4.** There is no impact to the City's General Fund with the approval of this resolution. The Successor Agency has funds approved by the Oversight Board in the ROPS that are sufficient to cover the contractual services and costs identified. The anticipated cost for

these professional services to be rendered by JLL is \$70,000.00. These funds are available in account number 1201-91-0000-4262.

**Section 5.** That the officers and staff of the Oversight Board and the Successor Agency staff are hereby authorized and directed, jointly and severally, to execute the agreement as agreed upon by all parties and to do any and all things which they may deem necessary or advisable to effectuate this resolution.

**Section 6.** That a certified copy of this resolution shall be filed in the offices of the Executive Director of the Successor Agency.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2012.

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**CHAIRPERSON OF THE OVERSIGHT BOARD  
TO THE SUCCESSOR AGENCY TO THE  
COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF COMPTON**

**ATTEST:**

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**DEPUTY CLERK  
LOS ANGELES COUNTY BOARD OF SUPERVISORS  
ACTING AS SECRETARY TO THE OVERSIGHT  
BOARD TO THE SUCCESSOR AGENCY TO THE  
COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF COMPTON**

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF COMPTON: ss

I, \_\_\_\_\_, Secretary to the Oversight Board to the Successor Agency to the Community Redevelopment Agency of the City of Compton, hereby certify that the foregoing resolution was adopted by the Board, signed by the Chairperson, and attested by the Secretary at the regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2012.

That said resolution was adopted by the following vote, to wit:

**AYES:        BOARD MEMBERS -  
NOES:        BOARD MEMBERS -  
ABSENT:     BOARD MEMBERS -**

\_\_\_\_\_  
**DEPUTY CLERK  
LOS ANGELES COUNTY BOARD OF SUPERVISORS  
ACTING AS SECRETARY TO THE OVERSIGHT  
BOARD TO THE SUCCESSOR AGENCY TO THE  
COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF COMPTON**